



# Appropriations Update

Committee on the Budget • Majority Caucus  
U.S. House of Representatives  
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## FISCAL YEAR 2007 FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS BILL – H.R. 5522

### SUMMARY

The Foreign Operations, Export Financing and Related Programs appropriations bill reported to the House on 5 June 2006 (H.R. 5522; H. Rept. 109-486) provides new budget authority \$1 million less than the amount allocated for it by the full Appropriations Committee, complying with applicable provisions of the Congressional Budget Act. The bill also complies with provisions of the fiscal year 2007

budget resolution regarding emergency-designated appropriations and advance appropriations, neither of which appears in the measure as reported.

This is the seventh of 11 appropriations bills to be considered by the House for fiscal year 2007, which begins on 1 October 2006.

### COST OF THE LEGISLATION

The bill provides a total of \$21.3 billion in new budget authority [BA] for 2007, which is \$627 million (3 percent) more than last year. But the total is \$2.4 billion (10.1 percent) less than requested by the President (see Table 1 below). Most of this reduction is related to the Millennium Challenge Corporation and international security assistance, each of which was funded \$1 billion below the request.

The cost of the legislation is offset by \$388 million in rescissions: \$200 million from the Economic Support Fund [ESF] and \$188 million from Contributions to the International Development Associations. Outlays from these rescissions total \$214 million.

There are no savings from changes to mandatory programs.

**Table 1: Foreign Operations, Export Financing and Related Programs Appropriations Bill <sup>a</sup>**  
(fiscal years; millions of dollars)

	2006 Spending	Administration 2007	302 (b) for 2007	Bill
Budget Authority	20,672	23,687	21,300	21,299
Outlays	26,599	23,851	23,441	23,440

<sup>a</sup> Excludes emergency-designated appropriations.

### COMPLIANCE WITH THE BUDGET RESOLUTION

Through a rule adopted on 18 May 2006, the House-passed budget resolution (H.Con.Res. 376) was ratified as effective for enforcing the Congressional Budget Act. The Appropriations Committee, under section 302(b) of the Budget Act, has submitted suballocations to its subcommittees (H.Rept. 109-483) that total the \$873-billion discretionary level in the budget resolution.

As noted, this measure as reported provides new BA \$1 million below the subcommittee allocation, and thus does not violate Budget Act provisions prohibiting consideration of appropriations measures in excess of their suballocations. Outlays are also below the suballocation. The bill does not cause a breach of the budgetary totals for BA, which also would violate the Congressional Budget Act.

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This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of all the committee's members.

In addition to Budget Act spending rules, the budget resolution provides guidelines for appropriations designated as “emergency” spending, and appropriations for fiscal

years beyond the budget year (so-called “advance appropriations”). Neither of these appears in the legislation as reported.

**Table 2: Discretionary Spending in the Foreign Operations Appropriations Bill**  
(in millions of dollars)

	2006 Budget Authority <sup>a</sup>	2006 Outlays <sup>a</sup>	2007 Budget Authority	2007 Outlays	Difference BA	Difference Outlays
International Security Assistance . . . . .	7,751	8,884	7,465	8,188	-286	-696
Multilateral Assistance . . . . .	1,687	2,544	1,487	2,173	-200	-371
Agency for International Development . . .	5,082	5,191	5,303	5,198	221	7
Millennium Challenge . . . . .	1,752	188	2,000	525	248	337
Other International Programs . . . . .	222	365	223	387	1	22
Department of State . . . . .	4,081	3,441	4,764	4,018	683	577
Export-Import Bank and Other . . . . .	97	236	57	201	-40	-35
Executive Office of the President . . . . .	–	5,750	--	2,750	--	-3,000
<b>Total . . . . .</b>	<b>20,672</b>	<b>26,599</b>	<b>21,299</b>	<b>23,440</b>	<b>627</b>	<b>-3,159</b>

<sup>a</sup> Excludes emergency-designated appropriations.

**DISCUSSION**

The bill provides a \$627-million (3 percent) increase in BA relative to 2006 enacted levels (see Table 2). Outlays decline because previously enacted reconstruction spending had largely been spent last year. The State Department’s BA increases by \$683 million – almost 17 percent – while all other spending, taken together, declines by \$56 million.

For most foreign operations and export financing accounts funded through this bill, budget authority is broadly consistent with the amounts requested in the President’s budget. Much of the decrease from the request occurs in a few accounts for which the administration has requested substantial increases, such as the \$1 billion below the request for the Millennium Challenge Corporation mentioned earlier, and \$887 million less in Economic Support Funds.

Specific items of interest include the following:

- *HIV/AIDS, TB, and Malaria* - The bill provides \$3.0 billion in funding to combat HIV/AIDS, tuberculosis, and malaria. This total amount is \$748 million more than what was provided in 2006, and \$190 million more than requested by the President for 2007. This program

accounts for the year-over-year increase to the Department of State.

- *Israel* - The bill fully funds the President’s \$2.3-billion request for Foreign Military Financing [FMF] for Israel, and his \$120-million request for economic assistance.
- *Egypt* - The bill also fully funds the President’s \$1.3-billion request for FMF for Egypt, the same as 2006, and the President’s \$455-million request for economic assistance to Egypt. The \$200-million ESF rescission, noted above, comes from unobligated balances of ESF funds appropriated for Egypt in fiscal years 2003-06.
- *Export-Import Bank* - The bill provides all of the \$57 million requested by the President – which is \$40 million, or 41 percent, less than 2006. The decrease is due to a lower subsidy rate associated with the loan guarantee program. (The subsidy rate represents the cost to the government of providing the loan guarantee.)
- *Millennium Challenge Corporation* - The bill provides \$2 billion, which is \$1 billion less than the request, but \$337 million, or 14 percent, more than 2006.

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